

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
PROFESSIONAL SERVICES MANAGEMENT UNIT

REQUEST FOR PROPOSALS (RFP)

I. Project Overview

NCDOT has identified I-77 as a significant corridor that needs improvements to maintain and improve future mobility in the Charlotte-Mecklenburg region. The I-77 Project contemplates the conversion of the current High Occupancy Vehicle (HOV) lanes to High Occupancy Tolling (HOT) lanes with the potential extension of HOT lanes North to either Exits 28 or 36 and South to the I-277/Brookshire Freeway interchange. Additionally, expansion from a single lane to double lane configuration in each direction is also anticipated. The following are the key project drivers:

- The Charlotte-Mecklenburg area had the 8th fastest population growth rate for cities in the US from 2000-2010. As a result, congestion in the corridor is becoming a problem, particularly at peak times.
- Traditional funding sources for the project are limited and as such the State is seeking to maximize funding from outside sources.
- This project is of critical importance to NCDOT, the State of North Carolina, the City of Charlotte and other stakeholders as it further sets the precedent for the use of Public Private Partnership (P3), congestion management and tolling.

At this time the final scope of the Project has not been determined and NCDOT anticipates that the advisory team selected for this engagement will help provide guidance for the scope based on the objectives set forth by the department. NCDOT is in process of working with separate advisors on a Level 2 traffic and revenue analysis and interfacing with stakeholders, including FHWA, to secure the necessary environmental and tolling approvals for the corridor.

II. Role of Advisors

NCDOT seeks to engage a team of commercial, strategic, financial and legal advisors to assist in refining the Project scope and helping develop and implement a successful public-private partnership (P3) for the delivery of the Project. The advisory team will be key in developing the optimal business model and the financial and legal structure for a potential P3, and working with NCDOT's on-call technical advisors, for the Project. Note that NCDOT's technical advisors will provide the necessary capital and operating cost inputs/estimates for use in financial analysis. The team will provide overall project management, including coordinating activity of the technical, legal, and financial teams, and the development of the critical aspects of the procurement and negotiations. The designated project manager(s) for this effort will also work closely with NCDOT's management designee in helping with overall delivery of this project.

The advisory team should have a national and preferably international perspective and be able to demonstrate broad experience with various P3 methods for road or other transportation projects. The advisory team must demonstrate the knowledge and use of detailed P3 market, project finance, and relevant legal knowledge. The advisory team will be expected to provide advice across a vast spectrum of issues in the structuring, analysis, evaluation, documentation, and development of a P3 for the Project. In addition, NCDOT may request the advisor team to provide comment and services related to the development of additional P3 projects.

NCDOT wishes to ensure a transparent process for the Project and mitigate any potential conflicts of interest on the I-77 project. The advisory team selected for this work is not allowed to work for a bidder team on this transaction in any capacity; furthermore, NCDOT prohibits underwriters, firms that market securities or has dedicated infrastructure funds, and potential senior or subordinate lenders to a project team from responding to this RFP.

III. Required Services

The following are the services required of the advisory team for the Project. NCDOT may request additional services, including related to broader programmatic assistance based on future considerations with the advisory team.

- 1) Assist with on-going project management and coordination activities related to the Project, including establishing the necessary schedule, status updates, reports, and other documents to assist NCDOT throughout the duration of this project commencing with scoping refinement to procurement and ultimately successful project commercial and financial close.
- 2) Perform financial analysis including the development of a shadow bid and public sector comparator to help NCDOT evaluate optimal delivery scenarios. Develop a refined financial model and utilize the model to assess various Project sensitivities, both on the cost and revenue side.
- 3) Help evaluate the overall legal framework for a potential concession on the project, including evaluating current North Carolina law and statutes, including recommendations for supplemental legislation as necessary.
- 4) Assess existing cost and revenue data and information and make recommendations on additional data necessary to refine the financial model, including cost and revenue estimates. Recommendations should also identify the appropriate timing and schedule for receiving the data in light of the planned procurement for the Public-Private Partner (P3). To the extent such information is provided by third parties, such as technical and traffic and revenue consultants; provide comment and feedback on work products so that appropriate information is obtained.

- 5) Assist NCDOT and technical advisors with Project scope definition; including helping determine the general configuration of the I-77 HOT lanes to help ensure a marketable P3 transaction.
- 6) Develop a detailed and optimum deal structure based on the P3 model. Assess and advise on expected capital structure, financing instruments and opportunity for innovative financing. Assist with the development of the substantive commercial parameters of the Project such as term, payment structure, risk transfer, and tolling policy.
- 7) Provide analysis and advice from a market perspective with respect to tolling issues, including toll rates and tolling policies and rules.
- 8) Assist in the assessment of material risks, including assisting NCDOT in developing optimal risk allocation model/matrix that allocates risks to each of the public and private parties in a manner which best reflects the ability of the assigned party to manage and mitigate risk.
- 9) Assist in the development of procurement documents, including but not limited to requests for qualifications (RFQ), draft and final proposals (RFP), and contractual documents including the necessary legal, commercial, financial, and technical terms of the public-private agreement.
- 10) Assist in developing the evaluation criteria related to financial and legal elements of responses to NCDOT's RFQ for a Public-Private Partner.
- 11) Assist with industry review, including discussions and interaction with shortlisted proposers during the industry review process to ensure that the selected procurement process and business structure result in a competitive process. Such efforts shall also include participation in joint proposer workshops and one-on-one Proposer meetings and review and assistance with preparation of responses to proposer questions and comments.
- 12) Assist NCDOT and the State of North Carolina with the commercial, policy, financial, and legal elements of any applications made to USDOT and FHWA for TIFIA assistance related to the Project, private activity bond (PABs) allocation for the Project, authority to toll the Project and the like. Provide support and assistance to NCDOT with the financial, policy and legal elements of any negotiations with USDOT and FHWA that arise out such applications, including the negotiation of any TIFIA instruments.
- 13) Assist NCDOT in meetings with rating agencies.
- 14) Assist with developing financial and legal evaluation criteria and submission requirements for the Public-Private Partner request for proposals (RFP) to be issued to

shortlisted proposers. Work with NCDOT's technical advisors to help refine their respective evaluation criteria.

- 15) Assist with the financial and legal evaluation of proposals received in response to the RFP. Develop a basis upon which to assess whether the proposals reflect value for money and a superior means to deliver the Project as compared to traditional NCDOT methods. Provide a report assessing the proposal from a value for money perspective. Provide advice throughout the selection process with respect to proposers' financing options and the relative impact of those options on value to NCDOT, taking into account broader public policy objectives in so doing, and provide input into NCDOT's evaluations on the basis of such advice.
- 16) Provide assistance in connection with the negotiation of the final terms of the public-private agreement with the selected proposer.
- 17) Assist NCDOT in connection with the Public-Private Partner's commercial and financial closing.
- 18) Develop, prepare, and present briefing materials and reports as necessary to promote communication and coordination with NCDOT senior administration, the Governor's office and other key stakeholders including the greater Charlotte-Mecklenburg community.
- 19) Assist NCDOT with transition planning and development of appropriate financial and legal oversight procedures to administer the public-private agreement after financial close.
- 20) As requested, participate in debriefings of unsuccessful proposers.
- 21) Assist NCDOT in understanding the implications of this project on NCDOT's broader P3 program and assist in establishing a programmatic approach to P3s based on the work performed in the Project.
- 22) Review and recommend necessary changes to the Department's current Public Private Partnership Policies and Procedures documents that will enable the most economical, transparent, and equitable procurement process.

IV. Proposal Submittal Requirements

- 1) Provide a signed transmittal letter stating, in part, the name, address of the primary responsible office from which the work will be performed and email address of the contact person authorized to negotiate for the associated work.
- 2) List all proposed subconsultant(s) and the percentage of work to be performed by the prime consultant and each subconsultant.
- 3) Address the experience of the prime consultant and subconsultant(s) on similar projects, with emphasis on P3s and concessions for tolled facilities, particularly HOT facilities. For each named project, include client references with contact information and describe the consultant's specific role on such project. Please also include experiences related to helping public agencies establish a programmatic approach to innovative delivery and finance to address infrastructure needs.
- 4) Address the experience of the prime consultant and subconsultant(s) with federal financing programs such as TIFIA and private activity bonds (PABs). For each named project, include client references with contact information and describe the consultant's specific role on such project and the amount of its contract.
- 5) List the Project Manager (who may not be replaced during the selection, award, or contract period without NCDOT's written approval of the proposed replacement project manager), deputy project manager and other key staff members, including key subconsultant staff. Address the experience of the Project Manager, deputy project manager and key staff members on similar projects, and the staff qualifications relative to the required item qualifications. Verify in the form of a statement that the proposed team individuals are currently employed by either the prime consultant or subconsultant(s) and are available to perform the services required under this RFP.
- 6) Provide an organization chart containing the names, addresses, telephone and e-mail addresses of the prime consultant and any subconsultant's key personnel proposed for the team and their contract responsibilities by work category.
- 7) Provide a description of your approach to the Project and the financial and legal advisor role (both for the Project and in a public-private partnership generally), understanding of the Project, cost containment practices, innovative ideas and any other relevant information concerning your firm's qualifications for the Project.

V. EVALUATION CRITERIA

- 1) Firm's experience, knowledge, familiarity, and past performance with P3's and concessions for tolled facilities; 40%

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| 2) Firm's staff including subconsultants; and | 40% |
| 3) Firm's approach, understanding, and innovation for project. | 20% |

The selection of a consultant to provide said services will be handled in accordance with the following process:

- ❖ Submittal of a Proposal,
- ❖ Department will shortlist if more than four responses are received,
- ❖ Oral Interviews at the option of the Department, and
- ❖ Selection of consultant to provide the required services.

VI. SMALL PROFESSIONAL SERVICE FIRM (SPSF) PARTICIPATION

The Department encourages the use of Small Professional Services Firms (SPSF). Small businesses determined to be eligible for participation in the SPSF program are those meeting size standards defined by Small Business Administration (SBA) regulations, 13 CFR Part 121 in Sector 54 under the North American Industrial Classification System (NAICS). The SPSF program is a race, ethnicity, and gender neutral program designed to increase the availability of contracting opportunities for small businesses on federal, state or locally funded contracts. SPSF participation is not contingent upon the funding source.

The Firm, at the time the Letter of Interest is submitted, shall submit a listing of all known SPSF firms that will participate in the performance of the identified work. The participation shall be submitted on the Department's Subconsultant Form RS-2. RS-2 forms may be accessed on the website at <https://apps.dot.state.nc.us/quickfind/forms/Default.aspx>.

The SPSF must be qualified with the Department to perform the work for which they are listed.

Real-time information about firms doing business with the Department and firms that are SPSF certified through the Contractual Services Unit is available in the Directory of Transportation Firms. The Directory can be accessed by the link on the Department's homepage or by entering <https://apps.dot.state.nc.us/vendor/directory/> in the address bar of your web browser.

The listing of an individual firm in the Department's directory shall not be construed as an endorsement of the firm.

FORMAT FOR SUBMISSION OF A
PROFESSIONAL SERVICES MANAGEMENT UNIT

REQUEST FOR PROPOSALS

Advertised November 1, 2011

All proposals are limited to fifteen (15) pages (RS-2 forms are not included in the page count and resumes limited to two pages per team member must be submitted with the proposal and will not count against the 15 page limit) inclusive of the cover sheet, and shall be single spaced. ONLY ELECTRONIC RFP'S WILL BE ACCEPTED. RFP'S containing more than fifteen (15) pages will not be considered.

RFP'S should be submitted in .pdf format using software such as Adobe, CutePDF, PDF Writer, DocuDesk, deskPDF, etc.

One copy of the RFP should be sent through NCDOT's FTS system as a .pdf file: psmu-411@ncdot.gov . The FTS system will send you an electronic receipt when your RFP is downloaded to PSMU's server. Paper copies are not required. The subject line should contain the PEF's Name, and "RFP for I-77 Advisor."

If an interested firm does not have an FTS account they should send a request through e-mail to psmu-411@ncdot.gov . A response will be sent via the FTS system that will provide a login username, password, and login procedures.

CONSULTANT CERTIFICATION Form RS-2

Completed Form RS-2 forms SHALL be submitted with the firm's RFP.

This section is limited to the number of pages required to provide the requested information.

Submit Form RS-2 forms for the following:

- Prime Consultant firm (Prime Consultant Form RS-2 Rev 1/14/08), and;
- ANY/ALL subconsultant firms (Subconsultant Form RS-2 Rev 1/15/08) to be or anticipated to be utilized by your firm.

Complete and sign each Form RS-2 (instructions are listed on the form).

In the event the firm has no subconsultant, it is required that this be indicated on the Subconsultant Form RS-2 by entering the word "None" or the number "ZERO" and signing the form.

The required forms are available at:

<https://apps.dot.state.nc.us/quickfind/forms/Default.aspx>.

Advertised November 1, 2011

Private consulting firms are invited to have the RFP E-MAILED to the Professional Services Management Unit by 12:00 p.m. on **November 18, 2011**. RFP received after this deadline will not be considered.

Firms submitting RFP's are encouraged to carefully check them for conformance to the requirements stated above. If RFP's do not meet ALL of these requirements or if they are sent by any other means other than NCDOT's FTS system, or to any address other than psmu-411@ncdot.gov they will be disqualified. No exception will be granted.

The e-mail address is:

psmu-411@ncdot.gov

Any questions concerning the advertisement or the scope of work should be directed to Scott Blevins, PE, at sblevins@ncdot.gov or by telephone at 919-707-7130.

If you feel information provided is inadequate to submit a proposal, please contact Mr. Blevins.

Shortlisted firms will be notified by December 15, 2011.

In the event the Department elects to conduct Oral Interviews, interviews will be held the week of January 9, 2012.

The firm(s) selected will be notified by **January 13, 2012**. Notification will not be sent to firms not selected.

The firm(s) selected will be listed on the Internet at http://www.ncdot.org/doh/preconstruct/highway/roadway/eng_coord/selection_comm/current.html by January 17, 2012.